

SOVIET BUDGET EXPENDITURES (PLANNED)

(billions of new rubles)

	<u>1961</u>	<u>1962</u>
Explicit Defense	9.255/12.355*	13.4
Administration	1.1	1.07
Social-Cultural Measures	27.1	28.7
Financing the National Economy	33.9	32.4
Other	6.145	4.7
Total	77.5	80.3

*Khrushchev's announcement of 8 July of 3.1 billion ruble additional allocation added

611207

UNCLASSIFIED

The budget announced on 7 December plans routine increases in total expenditures and revenues but an increase in military spending of 45 percent over the original 1961 budget.

We expect total military spending--always greater than admitted to in the budget--to increase this year but not by as much as 45 percent.

Budgetary accounting shifts probably explain much of the increase in planned defense spending.

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